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## **OLR Bill Analysis**

### **sHB 5337**

#### ***AN ACT CONCERNING FEES CHARGED FOR SERVICES PROVIDED AT HOSPITAL-BASED FACILITIES.***

##### **SUMMARY:**

This bill requires a hospital or health system that charges a facility fee to notify a patient in writing (1) that the facility is part of a hospital or health system that charges a facility fee, (2) of the patient's potential financial liability, and (3) that he or she should contact his or her health insurance company for additional information.

It also requires a hospital-based facility to (1) prominently display a sign indicating it charges a facility fee and (2) clearly hold itself out as hospital-based.

Under the bill, a "facility fee" means any fee a hospital or health system charges or bills for outpatient hospital services provided in a hospital-based facility that is (1) intended to compensate the hospital or health system for its operational expenses and (2) separate and distinct from a professional fee. A "health system" is (1) a parent corporation of one or more hospitals and any entity affiliated through ownership, governance, membership, or other means or (2) any entity affiliated with a hospital through ownership, governance, membership, or other means.

Under the bill, the notice requirements are not applicable to Medicare or Medicaid patients, or those receiving services under a workers' compensation plan that provides medical services.

EFFECTIVE DATE: October 1, 2014

##### **NOTICE REQUIREMENT**

The bill requires a hospital or health system that charges a facility fee to notify a patient in writing of certain information. The written

notice must be in plain language that is reasonably understood by a patient who does not have special knowledge of hospital or health system facility charges. The notice must include information that:

1. the hospital-based facility is part of a hospital or health system that charges a facility fee in addition to and separate from the provider's professional fee;
2. the patient's financial liability will depend on the professional medical services actually provided;
3. explains that the patient may incur financial liability greater than he or she would incur if the professional medical services were not provided by a hospital-based facility; and
4. patients covered by a health insurance policy should contact their health insurer for additional information on the hospital's or health system's charges and fees, including whether the patient is potentially financially liable for any charges and fees.

**FACILITY FEES USING CURRENT PROCEDURAL TERMINOLOGY EVALUATION AND MANAGEMENT (CPT E/M) CODE**

In addition, the bill requires hospitals or health care systems that charge a facility fee using a CPT E/M code for outpatient services provided at a hospital-based facility where a professional fee is also expected to be charged to provide the patient with additional information on the amount of the patient's potential financial liability, including:

1. any facility fee likely to be charged;
2. any professional fee likely to be charged if professional medical services are provided by an affiliated provider; or
3. an estimate of the patient's financial liability based on typical or average charges for the visits to the hospital-based facility, including the facility fee, if the exact type and extent of the professional medical services needed or the terms of a patient's health insurance coverage are not known with reasonable

certainty.

## **SENDING NOTICE**

### ***Nonemergency Care***

Under the bill, for nonemergency care where a patient's appointment is scheduled for 10 or more days after the appointment is made, the hospital or health care system must send written notice to the patient through first class mail, encrypted electronic mail, or a secure patient Internet portal within three days after the appointment is made. For appointments scheduled to occur within 10 days after they were made, or if the patient arrives without an appointment, the notice must be hand-delivered to the patient when he or she arrives at the facility.

### ***Emergency Care***

The bill requires hospitals or health systems to provide written notice to an emergency care patient as soon as practicable after the patient is stabilized or is determined not to have an emergency medical condition and before he or she leaves the facility. If the patient is unconscious, under great duress, or unable to read the notice and understand and act on his or her rights for any other reason, the notice must be provided to the patient's representative as soon as practicable.

## **PROMINATELY DISPLAYED SIGN**

The bill requires a hospital-based facility to prominently display written notice in readily accessible locations visible by patients, including in the patient waiting areas. The sign must state that:

1. the hospital-based facility is part of a hospital or health system, and
2. if the hospital-based facility charges a facility fee, the patient may incur a financial liability greater than the patient would incur if the hospital-based facility was not hospital-based.

Under the bill, a hospital-based facility must clearly hold itself out

to the public and payers as being hospital-based, including stating the name of the hospital or health system on its sign, marketing material, Internet websites, and stationery.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/13/2014)